



DEPARTMENT OF THE TREASURY

Fiscal Service

Prompt Payment Interest Rate; Contract Disputes Act

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Notice.

SUMMARY: For the period beginning January 1, 2012, and ending on June 30, 2012, the prompt payment interest rate is 2 per centum per annum.

ADDRESS: Comments or inquiries may be mailed to Dorothy Dicks, Reporting Team Leader, Federal Borrowings Branch, Division of Accounting Operations, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328.

A copy of this Notice is available at <http://www.treasurydirect.gov>.

DATES: Effective January 1, 2012, to June 30, 2012.

FOR FURTHER INFORMATION CONTACT: Brant McDaniel, Manager, Federal Borrowings Branch, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328, (304) 480-5114; Dorothy Dicks, Reporting Team Leader, Federal Borrowings Branch, Division of Accounting Operations, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328, (304) 480-5115; Paul Wolfteich, Chief Counsel, Office of the Chief Counsel, Bureau of the Public Debt, (202) 504-3705; or Brenda L. Hoffman, Attorney-Advisor, Office of the Chief Counsel, Bureau of the Public Debt, (202) 504-3706.

SUPPLEMENTARY INFORMATION: An agency that has acquired property or service from a business concern and has failed to pay for the complete delivery of property or service by the required payment date shall pay the business concern an interest penalty. 31 U.S.C. § 3902(a). The Contract Disputes Act of 1978, Sec. 12, Pub. L. 95-563, 92 Stat. 2389, and the Prompt Payment Act of 1982, 31 U.S.C. § 3902(a), provide for the calculation of interest due on claims at the rate established by the Secretary of the Treasury.

The Secretary of the Treasury has the authority to specify the rate by which the interest shall be computed for interest payments under § 12 of the Contract Disputes Act of 1978 and under the Prompt Payment Act. Under the Prompt Payment Act, if an interest penalty is owed to a business concern, the penalty shall be paid regardless of whether the business concern requested payment of interest. 31 U.S.C. § 3902(c)(1). Agencies must pay the interest penalty calculated with the interest rate, which is in effect at the time the agency accrues the obligation to pay a late payment interest penalty. 31 U.S.C. § 3902(a). “The interest penalty shall be paid for the period beginning on the day after the required payment date and ending on the date on which payment is made.” 31 U.S.C. § 3902(b).

Therefore, notice is given that the Secretary of the Treasury has determined that the rate of interest applicable for the period beginning January 1, 2012, and ending on

June 30, 2012, is 2 per centum per annum.

Mark Reger
Acting Fiscal Assistant Secretary.

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